

AGN. NO. _____

MOTION BY SUPERVISOR MICHAEL D. ANTONOVICH

August 31, 2010

**AMENDMENT TO THE ADVANCED LIFE SUPPORT BILLING AGREEMENTS WITH
THE COUNTY'S FOUR EMERGENCY AMBULANCE TRANSPORTATION
CONTRACTORS**

The County has entered into agreements with four ambulance contractors: American Medical Response of Southern California, Schaeffer Ambulance Service, Care Ambulance Service, and Westmed/McCormick Ambulance Service (collectively "Ambulance Contractors"), to provide emergency ambulance (9-1-1) transportation services within Los Angeles County. The Ambulance Contractors provide critical health care services to the residents and visitors of the County. In many cases, persons in need of emergency transport require immediate medical attention, and continued medical attention while en route to an emergency room. The more complex medical intervention services, or advanced life support ("ALS") services, are generally provided by the paramedic staff of the Los Angeles County Fire Protection District ("District").

To recoup the District's cost for providing these ALS services, the District has entered into a billing agreement with each of the Ambulance Contractors (Billing Agreements). Under the Billing Agreements, each contractor has agreed to bill the patient, the patient's health plan or other responsible third party payor for the cost of the paramedic services provided by the District's paramedic staff and pass this revenue on to the District less an administrative fee for billing services. The terms of the Billing Agreements establish an interim payment rate to the District of \$90 per paramedic ambulance run. The terms further require the District to conduct periodic audits to

MOTION

RIDLEY-THOMAS _____

YAROSLAVSKY _____

KNABE _____

ANTONOVICH _____

MOLINA _____

determine the actual amount of revenue collected by these contractors for paramedic services, for any overpayments or underpayments to be paid between the parties, with interest, and to adjust the interim payment based on the audit data to more appropriately reflect actual revenues collected for paramedic services.

An outside audit was conducted earlier this year and identified both overpayments and underpayments by the Ambulance Contractors. Upon review of the first audit, the District and Ambulance Contractors identified some discrepancies in the methodology used by the outside auditor to determine the amount to be collected for paramedic services. It was agreed by the parties that the interim rates recommended by the auditor could not be used and that rather than seek arbitration, as specified in the contract, to establish and use an adjusted interim payment amount, pending completion of a second audit. The parties have agreed that any future adjustment to the payment rate would be determined by the second audit that is to be initiated later this year.

I, THEREFORE, MOVE that the Board of Supervisors, acting as the Governing Body of the Los Angeles County Fire Protection District, delegate authority to the Chief of the District to enter into an amendment to the Billing Agreements with the Ambulance Contractors, upon approval as to form by County Counsel, to:

1. conduct a second audit, with the District initiating the selection process of the auditor no later than October 1, 2010;
2. adjust the interim payment rate paid to the District for each of the Ambulance Contractors to within 12% of the current payment rate, to be effective from the beginning of the term of the Billing Agreements until such time as the second audit is conducted in accordance with the terms of the Billing Agreements, and any amendments thereto; and
3. hold in abeyance any interest payments to be paid between the parties until such time as the second audit is completed.

#

MDA:flh

s:\motions\Advanced Life Support Billing Agreements